

Message Text

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TO USMISSION GENEVA

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E.O. 11652: N/A

TAGS: PLOS

SUBJECT: LOS: ARGENTINE STATUTE

REF: A) STATE 58868, B) BUENOS AIRES 1923

FOLLOWING IS ENGLISH TRANSLATION OF ARGENTINE LAW ENTITLED
SOCIEDADES DE ECONOMIA MIXTA:

BEGIN TEXT: ,

ARTICLE 1. A MIXED COMPANY IS ONE FORMED BY THE NATIONAL
STATE, PROVINCIAL STATES, MUNICIPALITIES, OR AUTONOMOUS
ADMINISTRATIVE ENTITIES, ACTING WITHIN THEIR LEGAL CAPACITY,
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ON THE ONE HAND, AND BY PRIVATE CAPITAL ON THE OTHER, FOR

THE OPERATION OF ENTERPRISES WHOSE PURPOSE IS TO SATISFY COLLECTIVE NEEDS OR TO ESTABLISH, PROMOTE, OR DEVELOP ECONOMIC ACTIVITIES.

2. ARTICLE 2. A MIXED COMPANY MAY BE A COMPANY OF PUBLIC LAW OR OF PRIVATE LAW, DEPENDING UPON THE PURPOSE FOR WHICH IT IS FOUNDED.

3. ARTICLE 3. WITH THE EXCEPTION OF THE SPECIAL PROVISIONS CONTAINED IN THIS TITLE, THE PROVISIONS OF THE COMMERCIAL

CODE RELATING TO CORPORATIONS SHALL GOVERN MIXED COMPANIES.

ARTICLE 4. THE CONTRIBUTION OF THE PUBLIC ENTITY TO THE MIXED COMPANY MAY BE OF ANY NATURE, AND ESPECIALLY THE FOLLOWING:

(A) GRANTING OF PRIVILEGES OF EXCLUSIVITY OR MONOPOLY, EXEMPTION FROM TAXES, FISCAL PROTECTION, RISK COMPENSATION, GUARANTIES OF INTEREST ON CAPITAL INVESTED BY PRIVATE PARTIES;

(B) PREMIUMS AND SUBSIDIES, TECHNOLOGICAL CONTRIBUTIONS;

(C) FINANCIAL ADVANCES;

(D) CAPITAL CONTRIBUTIONS, IN CASH, PUBLIC SECURITIES, OR IN KIND, OR THE GRANTING OF PROPERTY IN USUFRUCT.

ARTICLE 5. PUBLIC ENTITIES AND PRIVATE PERSONS SHALL CONTRIBUTE TO THE FORMATION OF THE CAPITAL STOCK IN THE PROPORTION THEY MAY AGREE UPON.

ARTICLE 6. A MIXED COMPANY MAY BE MADE UP OF ANY NUMBER OF SHAREHOLDERS.

ARTICLE 7. THE PRESIDENT OF THE COMPANY, THE BOARD OF TRUSTEES, AND AT LEAST ONE THIRD OF THE DIRECTORS PROVIDED FOR IN THE ARTICLES OF INCORPORATION SHALL REPRESENT THE PUBLIC ENTITY AND SHALL BE APPOINTED BY IT; LIMITED OFFICIAL USE

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THEY MUST BE NATIVE ARGENTINES. IN THE EVENT OF THE ABSENCE OR INCAPACITY OF THE PRESIDENT, HE SHALL BE REPLACED IN ALL HIS POWERS BY ONE OF THE DIRECTORS REPRESENTING THE PUBLIC ENTITY. THE OTHER DIRECTORS SHALL BE APPOINTED BY THE PRIVATE SHAREHOLDERS.

ARTICLE 8. THE PRESIDENT OF THE COMPANY, OR, IN HIS ABSENCE, ANY OF THE DIRECTORS APPOINTED BY THE PUBLIC

ENTITY, SHALL HAVE THE POWER TO VETO RESOLUTIONS OF THE BOARD OF DIRECTORS OR OF THE MEETINGS OF STOCKHOLDERS WHEN THEY ARE CONTRARY TO THIS LAW, THE LAW CREATING THE COMPANY, OR TO THE COMPANY'S ARTICLES OF INCORPORATION, OR WHEN THEY MAY JEOPARDIZE STATE INTERESTS LINKED TO THE COMPANY.

IN SUCH A CASE, THE DATA REGARDING THE OPPOSED RESOLUTION SHALL BE SUBMITTED TO THE HIGHEST ADMINISTRATIVE AUTHORITY

OF THE ASSOCIATED PUBLIC ENTITY FOR A FINAL DECISION ON CONFIRMATION OR REVOCATION OF THE VETO; MEANWHILE, THE RESOLUTION IN QUESTION SHALL REMAIN SUSPENDED. IF THE VETO IS NOT CONFIRMED BY THE SAID AUTHORITY WITHIN 20 DAYS FOLLOWING RECEIPT OF THE COMMUNICATION PROVIDED FOR IN THIS ARTICLE, THE RESOLUTION ADOPTED BY THE BOARD OF DIRECTORS OR BY THE MEETING OF STOCKHOLDERS, AS THE CASE MAY BE, SHALL BE CONSIDERED FINAL.

WHEN THE VETO IS BASED ON VIOLATION OF THE LAW OR OF THE COMPANY'S ARTICLES OF INCORPORATION, PRIVATE CAPITAL MAY HAVE RECOURSE TO THE COURTS.

ARTICLE 9. THE ARTICLES OF INCORPORATION MUST STATE THE DATES ON WHICH THE COMPANY IS TO BEGIN AND END.

ARTICLE 10. ONCE A MIXED COMPANY IS LIQUIDATED, ITS EXISTENCE AS SUCH SHALL BE TERMINATED. IF PRIVATE CAPITAL SALVAGES THE SHARES OF THE OFFICIAL ENTITY, THE ENTERPRISE MAY CONTINUE UNDER WHATEVER REGIME ADOPTED.

ARTICLE 11. MIXED COMPANIES GOVERNED BY THIS LAW MAY NOT DECLARE BANKRUPTCY, BUT MAY BE DISSOLVED IN THE LIMITED OFFICIAL USE

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OTHER CIRCUMSTANCES PROVIDED FOR IN ARTICLES 369,370,AND 371 OF THE COMMERCIAL CODE, AND IN ACCORDANCE WITH THE PROCEDURE EXPRESSLY PROVIDED FOR THAT CONTINGENCY.

ARTICLE 12. IN THE CASE OF COMPANIES WHICH OPERATE PUBLIC SERVICES, ONCE THE TERM OF DURATION OF THE COMPANY HAS EXPIRED, THE GOVERNMENT MAY TAKE OVER THE SHARES IN THE POSSESSION OF PRIVATE PERSONS AND TRANSFORM THE MIXED COMPANY INTO AN AUTONOMOUS ADMINISTRATIVE ENTITY, MAINTAINING THE PURPOSE OF PUBLIC UTILITY FOR WHICH THE COMPANY WAS CREATED.

ARTICLE 13. THE ARTICLES OF INCORPORATION MUST STATE IN EACH INSTANCE THE MINIMUM PERCENTAGE OF ARGENTINE WHITE-COLAR AND BLUE-COLOR WORKERS WHO MUST BE EMPLOYED

BY THE ENTERPRISE.

COMPANY WHITE- AND BLUE-COLLAR WORKERS MAY APPOINT A
DELEGATE TO TAKE PART IN STOCKHOLDERS' MEETINGS, IN
WHICH HE SHALL HAVE A VOICE BUT NO VOTE.

ARTICLE 14. THE GOVERNMENT'S LIABILITY SHALL BE LIMITED
EXCLUSIVELY TO ITS CONTRIBUTION TO THE COMPANY.

THE PRESIDENT, THE DIRECTORS, AND THE BOARD OF TRUSTEES,

APPOINTED BY THE PUBLIC ENTITY, SHALL HAVE THE LIABILITIES
PROVIDED FOR IN THE COMMERCIAL CODE, AND THE PUBLIC ENTITY
SHALL NOT BE LIABLE FOR THEIR ACTS.

ARTICLE 15. THE PROVISIONS OF THIS DECREE-LAW SHALL BE
INCORPORATED INTO THE COMMERCIAL CODE AS A SPECIAL TITLE.

ARTICLE 16. THE NATIONAL CONGRESS IS TO BE DULY INFORMED
HEREOF.

ARTICLE 17. TO BE COMMUNICATED, PUBLISHED, RECORDED IN
THE NATIONAL REGISTER, AND FILED. END TEXT. INGERSOLL

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